

If you are transferring funds from a UGMA or UTMA account to open a SCTPP account, please note the following instructions for completing your SCTPP enrollment form:

- The minor for whom the UGMA/UTMA account is held will be the Beneficiary of the SCTPP account.
- The minor's Social Security Number must be filled-in in **both** the "Contributor Social Security Number/Tax ID Number" **and** the "Beneficiary Social Security Number" spaces of the enrollment form.
- The "Contributor Name" space should be left **blank**. The minor's name must be filled-in in the "Organization Name" space. For example, if the minor's name is Casey Smith and the custodian's name is Paul Smith, the "Organization Name" space should be filled-in as "Casey Smith UGMA c/o Paul Smith".
- The mailing address and phone numbers in "Section I. Contributor Information" of the enrollment form must be filled-in with the custodian's information.
- The custodian must submit the Acknowledgement and Release Form, <http://www.scgrad.org/utmaform.htm>, with the SCTPP enrollment form.
- The custodian cannot designate some funds within a SCTPP account as UGMA/UTMA funds without designating all funds within that same SCTPP account as UGMA/UTMA funds. If a SCTPP account includes funds that are designated as having been transferred from a UGMA/UTMA account, all funds within that SCTPP account are treated as UGMA/UTMA transferred funds.

CUSTODIAN'S ACKNOWLEDGEMENT AND RELEASE ON UTMA/UGMA FUNDED ACCOUNTS

I, _____, hereby inform a South Carolina Tuition Prepayment Program, in writing, that I am purchasing a SCTPP contract as a Custodian using UTMA (Uniform Transfer to Minors Act) or UGMA (Uniform Gift to Minors Act) funds on behalf of _____ (Beneficiary).

SCTPP Account Number: _____

As Custodian of the SCTPP account I understand and acknowledge that the following will apply:

- Any and all contributions to this SCTPP account will be considered UTMA/UGMA funds (custodial funds) and become an asset of the child.
- If I desire to invest assets that are not UTMA/UGMA assets in a SCTPP account, a separate SCTPP contract may be established with such funds.
- I understand that as Custodian of an UTMA/UGMA account many of my rights under the SCTPP contract are limited, including, but not limited to, the following:
 - I am not the owner of the account, rather I hold the account as Custodian for the Beneficiary.
 - I may not change the designated Beneficiary.
 - If I cancel the contract, I personally will not receive a refund. Rather, a refund will be issued to the Beneficiary in order to comply with the intent of the UTMA/UGMA and provide for proper taxing of earnings.
 - It is my responsibility to refrain from exercising my rights under the SCTPP contract in order to maintain the UTMA/UGMA qualified status.
 - It is my responsibility to notify the program when the custodianship terminates (the minor reaches the legal age of majority), at which time the Beneficiary becomes the account owner.
 - At the age of majority the Beneficiary will own the contract and will have all of the rights of the contract Purchaser and Beneficiary, including but not limited to, the right to cancel the contract and receive a refund pursuant to the terms of the contract, or to use the benefits for educational purposes upon enrollment in an eligible institution.
- Maintaining UTMA/UGMA status of the assets in the SCTPP account is my responsibility as the Custodian of the account, and I hereby release SCTPP from any liability for any loss of UTMA/UGMA qualified status due to the purchase, servicing, cancellation of or exercise of the rights under the SCTPP contract.
- Every situation is unique and SCTPP does not give tax advice, nor does SCTPP endorse the use of UTMA/UGMA assets to fund a SCTPP contract.
- I understand and acknowledge that SCTPP highly recommends that I speak to a professional tax advisor before liquidating and/or investing the UTMA/UGMA account(s) in a SCTPP contract.

I, THE UNDERSIGNED, HAVE READ AND UNDERSTAND ALL OF THE ABOVE STATEMENTS AND AFFIRM THAT THEY ARE TRUE AND CORRECT AND AGREE TO COMPLY WITH THEM.

UTMA Custodian Name: _____

UTMA Custodian Signature: _____ Date: _____